

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Fall River Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Revised Funding Schedule

DATE: December 9, 2019

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on average on October 1 of each fiscal year. The schedule is effective in FY20 (since the amount under the prior schedule was maintained in FY20) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.50% to 7.25% and reflects a revision of the mortality assumption.

This schedule updates the schedule provided in our August 27, 2019 memorandum based on the adjusted normal cost figures as of January 1, 2019.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Enc.



Alternative 1a
7.25% Investment Return
7.5% Total Increasing

**Fall River Retirement System
January 1, 2019 Actuarial Valuation**

Total Appropriation Increasing 7.5% until FY34 with a Final Amortization Payment in FY35

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Amort. of 2003 ERI</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Increase in Total Cost</u>
2020	7,150,041	1,750,000	23,666,825	57,134	32,624,000	402,855,881	
2021	7,471,792	1,750,000	25,849,208		35,071,000	407,056,374	7.5%
2022	7,808,023	1,750,000	28,142,977		37,701,000	409,321,257	7.5%
2023	8,159,384	1,750,000	30,619,616		40,529,000	409,332,565	7.5%
2024	8,526,556	1,750,000	33,292,444		43,569,000	406,734,159	7.5%
2025	8,910,251	1,750,000	36,176,749		46,837,000	401,130,038	7.5%
2026	9,311,213	1,750,000	39,288,787		50,350,000	392,079,378	7.5%
2027	9,730,217	1,750,000	42,645,783		54,126,000	379,092,259	7.5%
2028	10,168,077	1,750,000	46,266,923		58,185,000	361,625,088	7.5%
2029	10,625,641	1,750,000	50,173,359		62,549,000	339,074,636	7.5%
2030	11,103,794	1,750,000	54,386,206		67,240,000	310,771,644	7.5%
2031	11,603,465	1,750,000	58,929,535		72,283,000	275,976,078	7.5%
2032	12,125,621	1,750,000	63,828,379		77,704,000	233,868,876	7.5%
2033	12,671,274	1,750,000	69,110,726		83,532,000	183,545,210	7.5%
2034	13,241,481	1,750,000	74,805,519		89,797,000	124,005,149	7.5%
2035	13,837,348	1,750,000	55,092,822		70,680,170	54,145,761	-21.3%
2036	14,460,029	1,750,000			16,210,029	0	-77.1%

Appropriation payments assumed to be made on average on October 1 of each fiscal year
Normal cost assumed to increase 4.5% per year
FY20 amount maintained at level of prior funding schedule